



## NOTICE TO MEMBERS

No. 2017 - 121

August 16, 2017

### **LIST OF FEES (EFFECTIVE AS OF SEPTEMBER 1, 2017)**

Please find attached the revised List of Fees for the Canadian Derivatives Clearing Corporation (CDCC). The revised fees will become effective and will be made available on the CDCC website at [www.cdcc.ca](http://www.cdcc.ca) as of September 1, 2017.

The amendments to the current List of Fees are as follows:

#### **I. Introduction of a formula for the calculation of the clearing fees on Share Futures transactions of 100 contracts or more**

The clearing fees per contract, per side applied to all clients and clearing members on Share Futures transactions of 100 contracts or more will be calculated according to the following formula (rounded to two decimals):

Clearing fee per contract =  $0.00008 \times (\text{Maturity date} - \text{Trade date}) / 365 \times \text{Trade price} \times \text{Contract multiplier}$

where:

Maturity date = Maturity date of the Share Futures contract

Trade date = Date on which the trade is executed

Trade price = Price at which the Share Futures contract is traded

Contract multiplier = Number of shares underlying each Share Futures contract

Fees for transactions of less than 100 contracts remain unchanged.

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**Canadian Derivatives Clearing Corporation**

The Exchange Tower	800 Victoria Square
130 King Street West, 5 <sup>th</sup> Floor	3 <sup>rd</sup> Floor
Toronto, Ontario	Montréal, Québec
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Tel. : 416-367-2470	Tel. : 514-871-3545

[www.cdcc.ca](http://www.cdcc.ca)



## **II. Tender fees**

The tender fees of \$0.37 per contract will be capped at 250 contracts (\$92.50) for all clients and clearing members.

If you have any questions or concerns, please contact CDCC's Corporate Operations department or direct your e-mail inquiries to [cdcc-ops@cdcc.ca](mailto:cdcc-ops@cdcc.ca).

Glenn Goucher  
President and Chief Clearing Officer

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## **List of Fees**

**Effective as of  
September 1<sup>st</sup>, 2017**

**CANADIAN DERIVATIVES CLEARING CORPORATION FEES**

**1. Clearing fees per contract, per side - Options and Futures**

**Fees**

1.1	Client (All - except Share Futures when transaction size $\geq$ 100 contracts)	\$	0.20
1.2	Clearing Member (All - except Share Futures when transaction size $\geq$ 100 contracts)	\$	0.10
1.3	Market maker - options only	\$	0.10
1.4	Volume rebate program participant *	\$	0.10
1.5	Minimum clearing fee - per month	\$	500
1.6	Share Futures (Client and Clearing Members - when transaction size $\geq$ 100 contracts)		see below
	The clearing fee per contract, per side will be calculated according to the following formula (rounded to two decimals): $0.00008 \times (\text{Maturity date} - \text{Trade date}) / 365 \times \text{Trade price} \times \text{Contract multiplier}$		
	Where:		
	Maturity date = Maturity date of the Share Futures contract		
	Trade date = Date on which the trade is executed		
	Trade price = Price at which the Share Futures contract is traded		
	Contract multiplier = Number of shares underlying each Share Futures contract		

\* An aggregate of at least 5,000 contracts on any MX listed product must be traded during the calendar month in order to be eligible for reduced fees.

**2. Fee cap on Clearing Member fees**

Fee cap program is applicable on cross transactions and pre-arranged transactions in zero-second exceeding the thresholds specified below, per leg, per Clearing Member.

Contract	Size per trade	Clearing fees
Equity / Options *	5,000 + contracts	\$ 0.10 cap at \$ 500 / leg
ETF / Options *		
S&P/TSX 60 Index options (SXO) **	1,000 + contracts	\$ 0.10 cap at \$ 100 / leg
Index / Options (Except SXO) **	10,000 + contracts	\$ 0.10 cap at \$ 1,000 / leg
Currency / Options **		

\* The Bourse will bundle multi-leg strategies and cap the fees at 5,000 contracts under the following conditions: At least one leg of the strategy is  $\geq$  5,000 contracts; the whole strategy is executed within 15 minutes; the approved participant informs the Bourse of the strategy on which fees should be capped before the end of calendar month during which the strategy is executed by sending a request at [optionsbundling@m-x.ca](mailto:optionsbundling@m-x.ca). The request must contain all information prescribed in this form ([http://www.m-x.ca/f\\_publications\\_en/ap\\_options\\_bundling\\_request\\_form\\_en.pdf](http://www.m-x.ca/f_publications_en/ap_options_bundling_request_form_en.pdf)), whether by directly filling the form or by using any other readable format.

\*\* Fee cap is applicable on an individual transaction basis, not on aggregate basis.

**3. Fee cap on Client fees**

Fee cap program is applicable on cross transactions and pre-arranged transactions in zero-second exceeding the thresholds specified below, per leg, per Client.

Contract	Size per trade	Clearing fees
Equity / Options *	5,000 + contracts	\$ 0.20 cap at \$ 1,000 / leg
ETF / Options *		
S&P/TSX 60 Index options (SXO) **	1,000 + contracts	\$ 0.20 cap at \$ 200 / leg
Index / Options (Except SXO) **	10,000 + contracts	\$ 0.20 cap at \$ 2,000 / leg
Currency / Options **		

\* The Bourse will bundle multi-leg strategies and cap the fees at 5,000 contracts under the following conditions: At least one leg of the strategy is  $\geq$  5,000 contracts; the whole strategy is executed within 15 minutes; the approved participant informs the Bourse of the strategy on which fees should be capped before the end of calendar month during which the strategy is executed by sending a request at [optionsbundling@m-x.ca](mailto:optionsbundling@m-x.ca). The request must contain all information prescribed in this form ([http://www.m-x.ca/f\\_publications\\_en/ap\\_options\\_bundling\\_request\\_form\\_en.pdf](http://www.m-x.ca/f_publications_en/ap_options_bundling_request_form_en.pdf)), whether by directly filling the form or by using any other readable format.

\*\* Fee cap is applicable on an individual transaction basis, not on aggregate basis.

**CANADIAN DERIVATIVES CLEARING CORPORATION FEES**

**4. Rebate program applicable on Clearing Members' clients transactions below 100 contracts.**

Contract				Tiers (in million of contracts annually)	Rebate
Equity / Options	Index / Options	Currency / Options	ETF / Options	From 0 to 1.5	0%
				From 1.5 + to 3.0	30%
				Above 3.0	40%

Resulting clearing fees	
\$	0.20
\$	0.14
\$	0.12

**5. Clearing fees, per day - Fixed Income Transactions (Tenor of Original Trade Submitted)**

5.1	1-3 days - Repurchase Transactions
5.2	4-7 days - Repurchase Transactions
5.3	8 days or greater - Repurchase Transactions
5.4	Minimum clearing fee - per month per membership

Clearing member	Client
0.007% (or 0.7 bps)	0.00175% (or 0.175 bps)
0.004% (or 0.4 bps)	0.001% (or 0.1 bps)
0.003% (or 0.3 bps)	0.00075% (or 0.075 bps)
\$	5,000

**6. Fixed Income Transactions Processing Fees**

CDCC will be charging the following processing fees for every record received from CDS and for every fixed income position created from a future's tender process into a physical bond delivery/receive. Physical deliveries/receives stemming from a tendered future will be considered as cash transaction(s) for the purpose of the processing fees.

Repurchase Transactions	Cash Transactions
\$2.50	\$1.25

**7. Revenue sharing arrangement**

7.1	Band 1: Less than \$5M in Fixed Income revenues*
7.2	Band 2: Between \$5M and \$6,999,999 in Fixed Income revenues*
7.3	Band 3: Between \$7M and \$12,499,999 in Fixed Income revenues*
7.4	Band 4: Greater than \$12.5M in Fixed Income revenues*

Share of revenue returned to Clearing Members	
	0%
	20%
	30%
	50%

\* For the purposes of the revenue sharing arrangement, Fixed Income revenues includes: Fixed income clearing fees, fixed income transaction processing fees, less CDS settlement costs, less costs associated with its Daylight Credit Arrangements (DCA)

**8. Clearing fees per contract, per side - Off Exchange ("Converge")**

8.1	Client
8.2	Clearing Member

\$	0.70
\$	0.30

**9. Fee cap on Off Exchange ("Converge")**

	Size per trade
9.1	Client 10,000 + contracts
9.2	Clearing Member 10,000 + contracts

Clearing fees	
\$	0.70 cap at \$ 7,000 / leg
\$	0.30 cap at \$ 3,000 / leg

Fee cap is applicable on an individual transaction basis, not on aggregate basis

**10. Exercise fees per contract, - "Converge" & Options**

10.1	Client
10.2	Clearing Member
10.3	Market maker
10.4	Volume rebate program participant

\$	0.37
\$	0.37
\$	0.37
\$	0.37

**11. Fee cap on exercise fees - "Converge" & Options**

	Size per trade
11.1	Client 1,000 + contracts
11.2	Clearing Member 1,000 + contracts
11.3	Market maker 1,000 + contracts
11.4	Volume rebate program participant 1,000 + contracts

Exercise fees	
\$	0.37 cap at \$ 370
\$	0.37 cap at \$ 370
\$	0.37 cap at \$ 370
\$	0.37 cap at \$ 370

Fee cap is applicable on an individual transaction basis, not on aggregate basis

**CANADIAN DERIVATIVES CLEARING CORPORATION FEES**

**12. Tender fees per contract - Futures**

12.1	Client	\$	0.37
12.2	Clearing Member	\$	0.37
12.3	Volume rebate program participant	\$	0.37

**13. Fee cap on tender fees - Share Futures**

		<b>Size per trade</b>	<b>Tender fees</b>
13.1	Client	250 + contracts	\$ 0.37 cap at \$ 92.50
13.2	Clearing Member	250 + contracts	\$ 0.37 cap at \$ 92.50

**13.4. Position transfer fees per contract, per side**

14.1	Client	\$	0.05
14.2	Clearing Member	\$	0.05
14.3	Market maker	\$	0.05
14.4	Volume rebate program participant	\$	0.05

**14.5. Data service \*\*\***

15.1	Trade Reconciliation file - per month	\$	500
15.2	Series Information file - Clearing Member - per month	\$	500
15.3	Series Information file - Non-Clearing Member - per month	\$	900
15.4	VPN access - per encryption connection	\$	29.95
15.5	VPN access - direct access	\$	29.95
15.6	Online Sub Account Inquiry terminal of a member		
	15.6.1 Per month - 9 users and less	\$	129
	15.6.2 Per month - 10 users and more	\$	99

\*\*\* Volume discounts are available to Clearing Members only depending on the number of files delivered each month. Monthly fees are as follows: first file - \$500/month, second file - \$450/month and third file - \$400/month, no fee for other files.

**15.6. Authorization Stamps**

\$	60
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**16.7. Miscellaneous Fees related to Physical Settlement of Securities**

CDCC will be recovering from Clearing Members, active in the physical settlement of Fixed Income Transactions and Fixed Income Futures contracts, the costs associated with its Commercial Bank Overnight Liquidity Arrangements (CBOLA). These costs will be payable quarterly, in arrears and will be due on the first business day of the calendar month. The amount payable by each Clearing Member will be based on the pro rata share of CDCC's quarterly CBOLA costs and will be pro rated across all Clearing Members that had net purchasing positions in Fixed Income securities through the CDCC CCP facilities.

The costs of this facility is subject to change as CDCC's credit providers may adjust the cost of this facility from time to time.

**TERMS AND CONDITIONS**

1. Any billing document (invoice, transaction report, etc.) must be verified without delay. The CDCC must be advised in writing of any error or omission within thirty (30) days following the document date.
2. All taxes, whether local, provincial, state or federal, business, property excise tax, or other governmental taxes will be added, if the case arises, to the above-mentioned fees according to the service offered.